

August 13, 2020

E. Joaquin Esquivel, Chair California State Water Resources Control Board 1001 I Street Sacramento, CA 95814

Dear Chair Esquivel and State Board Members:

I am pleased to provide an update to the 2020 Annual Report of the Salton Sea Management Program (SSMP) on behalf of the California Natural Resources Agency, the Department of Water Resources and the California Department of Fish and Wildlife. A workshop on the status of State Water Resources Control Board Order WR- 2017-0134 was originally scheduled for March 18, 2020. Due to the unprecedented circumstances related to COVID-19, this workshop was deferred, and has now been rescheduled for August 19, 2020. Despite certain work-related restrictions due to COVID-19, since the release of the 2020 Annual Report in February of this year the SSMP team has worked diligently toward meeting the requirements of WR-2017-0134 and the vision outlined in the Annual Report.

At the highest level, the California Natural Resources Agency remains focused on and committed to the following goals:

- 1. Making significant, visible progress in implementing the Salton Sea Management Program's Phase 1: 10-Year Plan, which aims to improve conditions around the Sea by constructing 30,000 acres of projects to suppress dust from exposed emissive lakebed and create habitat for fish and birds;
- 2. Establishing a long-term pathway for the Salton Sea beyond the SSMP 10-Year Plan:
- 3. Building the capacity of SSMP team to significantly improve the State's ability to deliver projects; and
- 4. Strengthening partnerships with local leaders and communities to facilitate timely project implementation and institutionalize community engagement within and across SSMP projects.

This letter provides relevant updates in four key chapters of the SSMP Annual Report since its release in February.

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Chapter 2 SSMP Project Delivery

Species Conservation Habitat Project. Implementation of the 3,770-acre Species Conservation Habitat project (SCH) is moving forward at full steam. The SSMP team received complete proposals this spring from three prequalified design-bid-build teams. The SSMP team and partners have completed the evaluation of these complex proposals and Kiewit Infrastructure West Co. has been selected as the best-value design-build entity. Kiewit Infrastructure West Co. and the Department of Water Resources are in the process of finalizing the contract with contract award expected in the coming weeks. Initiating construction of this major habitat project as expected this fall will be a notable milestone for the SSMP.

Dust Suppression Projects. The SSMP team conducted a robust public engagement effort in late 2019 and early 2020 at communities around the Sea to solicit ideas for dust suppression projects. Written and oral feedback received during this engagement was used to produce the draft Dust Suppression Action Plan (DSAP) released in February 2020. After receiving additional public feedback and consulting with air quality authorities, landowners and Tribes, the SSMP team completed a revised DSAP in late July that outlines 9,800 acres of project planning areas on exposed lakebed around the Sea, identifies potential dust suppression concepts and describes the steps needed to transition from concept to on-the-ground implementation over 2020-2022. The project planning areas are shown in the attached map. The updated DSAP was posted on the Salton Sea website (https://saltonsea.ca.gov/) on August 5. The updated plan will serve as a "living document" that will be refined over time through continued collaboration with local air pollution control districts, monitoring and adaptative management, as well as continued engagement with the communities around the Sea.

Phase A projects identified in the DSAP are scheduled to begin in late summer/early fall and the SSMP team has made significant progress to facilitate scaling up of on-the-ground delivery of projects over the coming months. Phase A project areas meet the criteria of being emissive and are anticipated to have less complex permitting and access needs. The project concepts for these areas will incorporate dust suppression methods that can be implemented expeditiously and have fewer planning and infrastructure requirements. The SSMP team will begin implementation of several thousand acres of physical dust suppression projects at various locations to add to the 112-acre project completed earlier this year. We expect these projects to mitigate risks to public health and respond to the COVID-19 emergency by improving air quality in the region. The following is a project delivery timeline through the end of 2021 that is dependent upon timely execution of land access agreements and issuance of permits.

- December 2020 Complete 1,500 2,000 additional acres
- March 2021 Complete 2,000 2,500 additional acres
- December 2021 Complete 2,500 3,000 additional acres

The SSMP team is actively coordinating with federal and local partners to meet regulatory requirements, obtain necessary permits and negotiate land access agreements. The team is increasing its project delivery capacity through the contracting process by acquiring implementation equipment and construction services to expedite project implementation. This will allow implementation of multiple projects to proceed simultaneously as some projects can be implemented directly by the SSMP team while others are implemented by specialized contractors and local partners.

The first of the Phase A project sites is located within the footprint of the SCH project. The SSMP is proactively implementing temporary dust control measures at this site prior to the start of construction of the habitat ponds due to the potential for emissivity within portions of the project area. Permitting for this project is completed, and the SSMP team is working with the Imperial County Air Pollution Control District (ICAPCD) to obtain approval of the dust control plan for the site prior to implementation. This project is proposed to cover up to 1,900 acres and is planned to start upon approval.

Chapter 3 Planning

Programmatic Environmental Planning. Federal approvals for SSMP projects must be secured to get these projects completed. Accordingly, the SSMP team and U.S. Army Corps of Engineers (USACE) are developing a draft Project Description for the anticipated Environmental Assessment (EA) for the SSMP Phase I: 10-Year Plan (10-Year Plan). The EA is intended to provide comprehensive National Environmental Policy Act (NEPA) compliance for all 10-Year Plan projects. The draft Project Description will cover the habitat and dust suppression projects identified in the 10-Year Plan, including but not limited to the expansion of the SCH project, creation of habitat ponds at the Alamo River, the North Lake Concept, and DSAP projects that have a federal nexus. With the completion of this NEPA process, the SSMP team will be able to obtain federal permits and implement projects on federal lands, without having to undergo an individual NEPA compliance process for each project.

The draft Project Description will be released to the public this month and the SSMP team and USACE plan for two sets of virtual public meetings and solicitation of comments. The first series will provide an opportunity for the public to comment on the draft Project Description. Through this process, the SSMP team will seek additional public input to develop the full range of project alternatives to be considered in the EA. The second series will be an opportunity for the public to comment on the draft EA in the winter of 2021. The EA is scheduled to be completed by the summer of 2021. Upon completion, this comprehensive NEPA compliance process will enable the SSMP to proceed with full implementation of 10-Year Plan projects in an expedited manner.

Long-Range Planning. While the SSMP team is executing the 10-Year Plan, it is simultaneously developing a path forward for long-term restoration and management of the Sea beyond the first decade. As described in the Annual Report, the State prepared a Request for Proposals (RFP) for an independent reviewer panel to conduct a feasibility study of water importation proposals in February 2020. However, no proposals were

received in response to this RFP. The State therefore conducted additional outreach to publicize the project and issued a new RFP in June. Again, no proposals were received and the SSMP team is exploring further options to secure an independent reviewer panel to conduct this analysis.

The results of the independent reviewer's study will inform restoration options for the long-term plan. The plan will establish a strategy for long-term restoration, and options evaluated to inform this plan will include project build-out based on projected future water inflows within the Salton Sea watershed and water importation for a whole-sea alternative, if importation is found to be feasible. This long-range plan will also include a Watershed Management Plan component, funded by a cooperative agreement between the Natural Resources Conservation Service and CNRA. Inclusion of this Watershed Management Plan component will allow the SSMP to leverage federal funding opportunities for future SSMP projects qualifying for Farm Bill funds.

Organizational Capacity and Staff Planning. Despite the impacts of COVID-19 on the State budget for the 2020-2021 fiscal year, in a demonstration of continued commitment to Salton Sea restoration the Governor and Legislature have approved the addition of 10 staff positions dedicated full time to implementing the SSMP. Eight of these staff are proposed to be based near the Salton Sea, with a new SSMP office in Imperial County hosting at least six SSMP team members. In addition, three previously vacant staff positions were filled in the last four months, and hiring managers are preparing to fill the new positions over the coming months.

Among other things, the planning and implementation of restoration on such a large scale requires robust public communication and outreach, air quality expertise, efficient project management, effectiveness and compliance monitoring, and biological monitoring and assessment to inform species status in planning and management efforts. The addition of these positions will provide additional staff capacity to fulfill these needs and meet the SSMP's accelerated project delivery schedule. This will allow the SSMP to build and maintain momentum as the amount of ongoing work around the Sea necessarily increases to deliver projects. In addition, the establishment of a new local Salton Sea Office will enhance business operation and increase our local presence to more effectively serve the public and surrounding communities.

Financial Status and Planning. In addition to the increased staffing, the Governor's revised budget has authorized an additional \$19.25 million in Proposition 68 bond funds to support the implementation of the North Lake Pilot Project. This project will be implemented in partnership between the SSMP team and the Salton Sea Authority (SSA). The SSA and SSMP team have started discussions to prepare an agreement between the State and the SSA. The SSA and SSMP team are targeting September for execution of the agreement. The North Lake Pilot Project will be analyzed under the SSMP's EA for the 10-Year Plan.

Chapter 5. Partnerships

Salton Sea Authority. CNRA and the SSA have entered a Memorandum of Understanding (MOU) outlining how the parties will coordinate and consult to support the broader goals of Salton Sea restoration and the SSMP. The MOU contemplates continued close coordination between SSA and the SSMP to ensure prompt communication of local priorities to CNRA through the SSA, as outlined in the MOU, and to seek out federal funding opportunities for projects that will help restore the Sea.

Imperial County Air Pollution Control District. CNRA and ICAPCD have developed an MOU outlining how the parties will coordinate and collaborate on the Desert Shores Channel Restoration Project. This project proposes to refill channels located between residences on the Salton Sea shoreline in the disadvantaged community of Desert Shores. ICAPCD will lead efforts to plan the project and will act as the project manager. It will also lead outreach and communication efforts, in coordination with CNRA.

Under the MOU, CNRA will analyze and document the project's public benefits as part of the EA for the 10-Year Plan and as required for funding under the SSMP. CNRA and ICAPCD intend to meet once a month to engage of review of the project.

Community Engagement. The Community Engagement Plan continues to be refined in collaboration with the Engagement Committee Working Group. This recently formed subcommittee of the SSMP Community Engagement Committee is working with the SSMP team to finalize the Engagement Plan. The Plan will be presented to the SSMP Community Engagement Committee at its September 2020 meeting. The Working Group was formed to discuss upcoming SSMP engagement needs and strategies. In addition to the assistance being provided to complete the Engagement Plan, the Working Group is providing guidance to plan and conduct NEPA public workshops scheduled for August 2020 to maximize community input, particularly among underserved communities, during the COVID-19 pandemic. The SSMP team also is developing options to streamline the SSMP advisory committee structure. Ongoing updates are being provided via the SSMP e-newsletter and dedicated website (saltonsea.ca.gov) established earlier this year.

In Closing

The SSMP team is proud to report on the continuing progress since the February 2020 submittal of our Annual Report toward implementation of the targets in WR 2017-0134, despite the unique challenges brought on by COVID-19 nationwide. Although there is considerable uncertainty at this time, the SSMP team will continue to deliver on the broader program goals while maintaining the health and safety of its staff and contractors. Ongoing challenges at the Salton Sea, including air quality issues magnified by the COVID-19 pandemic, demand that we advance our work in a focused, urgent and collaborative manner. Accordingly, the team is proceeding on various design, permitting and field activities at full tilt to accomplish our goals.

We look forward to the upcoming workshop on August 19 and to providing an update on the activities of our program.

Sincerely,

arturo Delgado

Arturo Delgado Assistant Secretary of Salton Sea Policy

Enclosure: Proposed planning areas for dust suppression projects from the Dust Suppression Action Plan.

Proposed planning areas for dust suppression projects from the Dust Suppression Action Plan.

